



**Financial Statements
December 31, 2017**

**City of Salida, Colorado
Financial Statements
December 31, 2017**

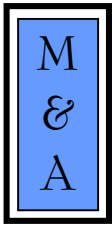
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council City of Salida

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Salida (the "City"), as of and for the year ended December 31, 2017, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Salida as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Salida

Other Matters

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

U. S. generally accepted accounting principles require that the Schedule of Employer's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset / Liability, and the Schedules of City Contributions in Section D, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Schedule of Employer's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset / Liability, and the Schedules of City Contributions in Section D in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements taken as a whole. The budgetary comparisons found in Section E are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparisons found in Section E are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The *Local Highway Finance Report*, on pages E6 and E7, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
February 26, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	4,493,257	4,058,011	8,551,268
Receivables (net of allowance)	1,438,091	1,370,684	2,808,775
Inventories	-	3,592	3,592
Prepays	92,753	50,820	143,573
Capital assets not being depreciated:			
Land and right-of-way	1,781,075	76,027	1,857,102
Water rights	-	1,391,521	1,391,521
Construction in progress	1,509,377	1,999,633	3,509,010
Capital assets being depreciated, net of accumulated depreciation	18,222,894	28,863,509	47,086,403
Total Assets	<u>27,537,447</u>	<u>37,813,797</u>	<u>65,351,244</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	<u>642,758</u>	<u>-</u>	<u>642,758</u>
Liabilities:			
Accounts payable and other current liabilities	896,270	388,716	1,284,986
Retainage payable	-	78,009	78,009
Interest payable	-	72,604	72,604
Accrued compensated absences	61,059	15,518	76,577
Unearned revenue	-	99,240	99,240
Noncurrent liabilities:			
Due within one year	161,832	353,650	515,482
Due in more than one year	979,215	12,582,570	13,561,785
Net pension liability	964,395	-	964,395
Total Liabilities	<u>3,062,771</u>	<u>13,590,307</u>	<u>16,653,078</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	<u>15,666</u>	<u>-</u>	<u>15,666</u>
Net Position:			
Net investment in capital assets	19,973,938	19,394,470	39,368,408
Restricted for:			
Emergencies	225,000	-	225,000
Parks and recreation	132,296	-	132,296
Unrestricted	4,770,534	4,829,020	9,599,554
Total Net Position	<u>25,101,768</u>	<u>24,223,490</u>	<u>49,325,258</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,574,671	\$ 251,388	\$ -	\$ 363,576	\$ (959,707)	\$ -	\$ (959,707)
Public safety	3,096,405	91,675	-	-	(3,004,730)	-	(3,004,730)
Public works/Streets	2,056,193	24,230	-	-	(2,031,963)	-	(2,031,963)
Culture, parks and recreation	1,520,283	464,586	-	-	(1,055,697)	-	(1,055,697)
Interest on long-term debt	41,032	-	-	-	(41,032)	-	(41,032)
Total governmental activities	<u>8,288,584</u>	<u>831,879</u>	<u>-</u>	<u>363,576</u>	<u>(7,093,129)</u>	<u>-</u>	<u>(7,093,129)</u>
Business-type activities:							
Water	1,421,395	1,671,803	-	2,206,670	-	2,457,078	2,457,078
Sewer	2,173,083	1,345,584	-	470,919	-	(356,580)	(356,580)
Steamplant Event Center	548,550	324,615	16,911	-	-	(207,024)	(207,024)
Total business-type activities	<u>4,143,028</u>	<u>3,342,002</u>	<u>16,911</u>	<u>2,677,589</u>	<u>-</u>	<u>1,893,474</u>	<u>1,893,474</u>
Total Primary Government	<u>12,431,612</u>	<u>4,173,881</u>	<u>16,911</u>	<u>3,041,165</u>	<u>(7,093,129)</u>	<u>1,893,474</u>	<u>(5,199,655)</u>
General revenues:							
Taxes:							
Sales taxes					5,725,577	-	5,725,577
Sales taxes - Country					1,849,781	-	1,849,781
Franchise taxes					308,338	-	308,338
Other taxes					327,318	-	327,318
Unrestricted investment earnings					32,320	33,354	65,674
Miscellaneous					433,146	-	433,146
(Loss) on sale of assets					(9,328)	(10,316)	(19,644)
Transfers					(635,280)	635,280	-
Total general revenues, special items, and transfers					<u>8,031,872</u>	<u>658,318</u>	<u>8,690,190</u>
Change in Net Position					938,743	2,551,792	3,490,535
Net position - beginning					24,163,025	21,671,698	45,834,723
Net position - ending					<u>25,101,768</u>	<u>24,223,490</u>	<u>49,325,258</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General Fund</u>	<u>Street Fund</u>	<u>Capital Improvement Fund</u>	<u>Economic Development Fund</u>	<u>Lodging Tax Fund</u>	<u>Conservation Trust Fund</u>	<u>Total Governmental Funds</u>
Assets							
Cash and cash equivalents	4,308,332	(272,018)	43,074	96,126	185,447	132,296	4,493,257
Receivables, net:							-
Taxes receivable	1,259,823	-	-	-	-	-	1,259,823
Accounts receivable	72,816	-	-	-	-	-	72,816
Intergovernmental	105,452	-	-	-	-	-	105,452
Prepaid items	92,753	-	-	-	-	-	92,753
Total Assets	<u>5,839,176</u>	<u>(272,018)</u>	<u>43,074</u>	<u>96,126</u>	<u>185,447</u>	<u>132,296</u>	<u>6,024,101</u>
Liabilities:							
Accounts payable	198,328	264,093	41,601	489	-	-	504,511
Retainage payable	6,897	133,811	61,024	-	-	-	201,732
Accrued wages and benefits	127,715	-	-	-	-	-	127,715
Accrued liabilities	17,846	-	-	-	-	-	17,846
Customer deposits	37,030	-	-	-	-	-	37,030
Unearned revenue	7,437	-	-	-	-	-	7,437
Total Liabilities	<u>395,253</u>	<u>397,904</u>	<u>102,625</u>	<u>489</u>	<u>-</u>	<u>-</u>	<u>896,271</u>
Fund Balances							
Nonspendable	92,753	-	-	-	-	-	92,753
Restricted for:							
Parks and recreation	-	-	-	-	-	132,296	132,296
Emergencies	225,000	-	-	-	-	-	225,000
Committed to:							
Community and economic development	-	-	-	95,637	185,447	-	281,084
Unassigned	5,126,170	(669,922)	(59,551)	-	-	-	4,396,697
Total Fund Balances	<u>5,443,923</u>	<u>(669,922)</u>	<u>(59,551)</u>	<u>95,637</u>	<u>185,447</u>	<u>132,296</u>	<u>5,127,830</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>5,839,176</u>	<u>(272,018)</u>	<u>43,074</u>	<u>96,126</u>	<u>185,447</u>	<u>132,296</u>	<u>6,024,101</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2017

Total fund balances - governmental funds	5,127,830	
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	36,206,511	
Accumulated depreciation	(14,693,164)	
		21,513,347
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Capital leases	(1,141,047)	
Net pension liability	(964,395)	
Compensated absences	(61,059)	
	<u>(2,166,501)</u>	(2,166,501)
Deferred outflow and inflows of resources related to pensions and net pension assets are applicable to future reporting periods and therefore are not reported in the funds.		
Deferred outflows	642,758	
Deferred inflows	(15,666)	
		627,092
Total net position - governmental activities		<u><u>25,101,768</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Street Fund	Capital Improvement Fund	Economic Development Fund	Lodging Tax Fund	Conservation Trust Fund	Total Governmental Funds
REVENUES							
Taxes	3,521,613	1,772,842	443,210	110,803	185,447	-	6,033,915
Fees for general services	176,563	-	-	-	-	-	176,563
Intergovernmental	2,533,254	-	59,325	-	-	54,128	2,646,707
Charges for services	464,586	-	-	-	-	-	464,586
Fines and forfeitures	61,756	-	-	-	-	-	61,756
Interest revenue	31,323	-	-	-	-	997	32,320
Other revenues	319,244	21,725	115,119	-	-	-	456,088
Total Revenues	<u>7,108,339</u>	<u>1,794,567</u>	<u>617,654</u>	<u>110,803</u>	<u>185,447</u>	<u>55,125</u>	<u>9,871,935</u>
EXPENDITURES							
Current:							
General government	1,430,422	-	-	15,166	-	-	1,445,588
Public safety	2,820,575	-	-	-	-	-	2,820,575
Public works/streets	1,134,641	-	-	-	-	-	1,134,641
Culture, parks and recreation	1,186,520	-	-	-	-	-	1,186,520
Capital outlay	806,781	1,829,209	677,205	-	-	48,812	3,362,007
Debt service:							
Principal	120,800	-	-	-	-	-	120,800
Interest and fiscal charges	41,032	-	-	-	-	-	41,032
Total Expenditures	<u>7,540,771</u>	<u>1,829,209</u>	<u>677,205</u>	<u>15,166</u>	<u>-</u>	<u>48,812</u>	<u>10,111,163</u>
Excess of Revenues Over (Under) Expenditures	(432,432)	(34,642)	(59,551)	95,637	185,447	6,313	(239,228)
Other Financing Sources (Uses):							
Capital transfers out	-	(635,280)	-	-	-	-	(635,280)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(635,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(635,280)</u>
Net change in fund balances	(432,432)	(669,922)	(59,551)	95,637	185,447	6,313	(874,508)
Fund balances, beginning of year	<u>5,876,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,983</u>	<u>6,002,338</u>
Fund balances, end of year	<u>5,443,923</u>	<u>(669,922)</u>	<u>(59,551)</u>	<u>95,637</u>	<u>185,447</u>	<u>132,296</u>	<u>5,127,830</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ (874,508)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital outlay	6,036,555	
Depreciation expense	<u>(4,354,988)</u>	1,681,567
<p>Governmental funds reports the loss from the sale of capital assets as an expense. However, in the statement of activities, the loss on the sale of capital assets is reported net of its net book value.</p>		
		(9,328)
<p>Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		120,800
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension expense	<u>24,213</u>	24,213
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(4,001)
Change in net position of governmental activities		<u><u>938,743</u></u>

CITY OF SALIDA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2017

	Water	Sewer	Steamplant Event Center	Combined Total
Assets				
Current assets:				
Cash	1,607,944	2,622,028	(171,961)	4,058,011
Receivables (net of allowance)	384,682	293,992	114	678,788
Due from other governments	691,896	-	-	691,896
Inventory	-	-	3,592	3,592
Prepays	36,535	11,156	3,129	50,820
Total current assets	<u>2,721,057</u>	<u>2,927,176</u>	<u>(165,126)</u>	<u>5,483,107</u>
Capital assets:				
Land	36,364	39,663	-	76,027
Water rights	1,391,521	-	-	1,391,521
Construction in progress	1,999,633	-	-	1,999,633
Plant and equipment	15,237,976	26,334,873	1,877,962	43,450,811
Accumulated depreciation	(6,472,573)	(7,418,747)	(695,982)	(14,587,302)
Total capital assets	<u>12,192,921</u>	<u>18,955,789</u>	<u>1,181,980</u>	<u>32,330,690</u>
Total Assets	<u>14,913,978</u>	<u>21,882,965</u>	<u>1,016,854</u>	<u>37,813,797</u>
Liabilities				
Current liabilities:				
Accounts payable	305,540	26,335	11,357	343,232
Accrued wages and benefits	15,109	15,298	8,102	38,509
Accrued liabilities	5,867	9,136	7,490	22,493
Retainage payable	78,009	-	-	78,009
Interest payable	3,377	69,227	-	72,604
Unearned revenue	-	80,000	19,240	99,240
Loans and Bonds payable - current	148,802	204,848	-	353,650
Total current liabilities	<u>556,704</u>	<u>404,844</u>	<u>46,189</u>	<u>1,007,737</u>
Noncurrent liabilities				
Long-term debt (net of current poriton):				
Loans payable	406,117	10,871,453	-	11,277,570
Bonds payable	1,305,000	-	-	1,305,000
Total noncurrent liabilities	<u>1,711,117</u>	<u>10,871,453</u>	<u>-</u>	<u>12,582,570</u>
Total liabilities	<u>2,267,821</u>	<u>11,276,297</u>	<u>46,189</u>	<u>13,590,307</u>
Net Position				
Net investment in capital assets	10,333,002	7,879,488	1,181,980	19,394,470
Unrestricted	2,313,155	2,727,180	(211,315)	4,829,020
Total net position	<u>12,646,157</u>	<u>10,606,668</u>	<u>970,665</u>	<u>24,223,490</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Water	Wastewater	Steamplant Event Center	Combined Total
Operating Revenues				
Charges for services	1,650,251	1,345,095	316,913	3,312,259
Other revenues	21,552	489	7,702	29,743
Total operating revenues	<u>1,671,803</u>	<u>1,345,584</u>	<u>324,615</u>	<u>3,342,002</u>
Operating Expenses				
Administrative	154,439	92,484	-	246,923
Operations	424,690	676,804	477,595	1,579,089
Public Works	322,900	206,825	-	529,725
Depreciation	467,470	921,085	70,955	1,459,510
Total operating expenses	<u>1,369,499</u>	<u>1,897,198</u>	<u>548,550</u>	<u>3,815,247</u>
Operating Income (loss)	<u>302,304</u>	<u>(551,614)</u>	<u>(223,935)</u>	<u>(473,245)</u>
Non-Operating Revenues (Expenses)				
Donations	-	-	16,911	16,911
Interest income	6,151	27,203	-	33,354
Interest expense and fiscal charges	(35,855)	(275,885)	-	(311,740)
Lawsuit costs	(16,041)	-	-	(16,041)
Total non-operating revenue (expenses)	<u>(45,745)</u>	<u>(248,682)</u>	<u>16,911</u>	<u>(277,516)</u>
Income (loss) before contributions and transfers	256,559	(800,296)	(207,024)	(750,761)
Capital Contributions, Grants and Transfers:				
Development fees and other capital revenue	556,918	470,919	-	1,027,837
Capital grants	1,649,752	-	-	1,649,752
Sale of assets	-	-	(10,316)	(10,316)
Capital transfers in	615,467	19,813	-	635,280
Total capital contributions, grants and transfers	<u>2,822,137</u>	<u>490,732</u>	<u>(10,316)</u>	<u>3,302,553</u>
Change in net position	3,078,696	(309,564)	(217,340)	2,551,792
Net Position, beginning of year	<u>9,567,461</u>	<u>10,916,232</u>	<u>1,188,005</u>	<u>21,671,698</u>
Net position, end of year	<u><u>12,646,157</u></u>	<u><u>10,606,668</u></u>	<u><u>970,665</u></u>	<u><u>24,223,490</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Water	Sewer	Steamplant Event Center	Combined Total
Cash Flows From Operating Activities:				
Cash received from customers, service fees	1,664,286	1,299,379	333,941	3,297,606
Cash paid to suppliers	(511,377)	(477,316)	(156,235)	(1,144,928)
Cash paid to employees	(434,392)	(483,691)	(311,512)	(1,229,595)
Net Cash Provided by Operating Activities	<u>718,517</u>	<u>338,372</u>	<u>(133,806)</u>	<u>923,083</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from/(to) other funds	615,467	19,813	-	635,280
Net cash flows from noncapital and financing activities	<u>615,467</u>	<u>19,813</u>	<u>-</u>	<u>635,280</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	(2,696,644)	(152,721)	(29,845)	(2,879,210)
Principal paid on long-term debt	(158,253)	(199,852)	-	(358,105)
Interest paid	(33,801)	(280,638)	-	(314,439)
Development fees and other capital revenue	556,918	470,919	-	1,027,837
Capital grants	957,856	-	-	957,856
Payments for legal defense	(16,041)	-	-	(16,041)
Net cash flows from capital and related financing activities	<u>(1,389,965)</u>	<u>(162,292)</u>	<u>(29,845)</u>	<u>(1,582,102)</u>
Cash Flows From Investing Activities				
Interest on investments	6,151	27,203	-	33,354
Net change in cash and cash equivalents	(49,830)	223,096	(163,651)	9,615
Cash and cash equivalents, beginning of year	<u>1,657,774</u>	<u>2,398,932</u>	<u>(8,310)</u>	<u>4,048,396</u>
Cash and Cash Equivalents, End of Year	<u><u>1,607,944</u></u>	<u><u>2,622,028</u></u>	<u><u>(171,961)</u></u>	<u><u>4,058,011</u></u>
Reconciliation of Operating Income to net cash provided by operating activities:				
Net operating income/(loss)	302,304	(551,614)	(207,024)	(456,334)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities				
Depreciation/amortization	467,470	921,085	70,955	1,459,510
Changes in operating assets and liabilities				
(Increase)/decrease in accounts receivable	(7,519)	(18,203)	13,523	(12,199)
(Increase)/decrease in inventory	-	-	(110)	(110)
(Increase)/decrease in prepaids	(2,045)	(2,020)	(1,137)	(5,202)
Increase/(decrease) in payables	(130,242)	14,970	8,791	(106,481)
Increase/(decrease) in accrued liabilities	88,549	2,154	2,304	93,007
Increase/(decrease) in unearned revenue	-	(28,000)	(21,108)	(49,108)
Total adjustments	<u>416,213</u>	<u>889,986</u>	<u>73,218</u>	<u>1,379,417</u>
Net cash flows from operating activities	<u><u>718,517</u></u>	<u><u>338,372</u></u>	<u><u>(133,806)</u></u>	<u><u>923,083</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

The City of Salida, Colorado (the "City"), was incorporated under the laws of the State of Colorado. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, and culture and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the City is not financially accountable to any other entity and the City is not a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities and event rental services are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (Sales and franchise taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and franchise taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The City reports the following governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Streets Fund* accounts for sales taxes to be used solely for the construction, operating, maintenance and repair of city streets and street-related infrastructure.

The *Capital Improvement Fund* accounts for sales taxes to be used to provide capital improvements, other than streets.

The *Economic Development Fund* accounts for sales taxes to be used for economic development purposes.

The *Lodging Tax Fund* accounts for revenues derived from lodging taxes to be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (Continued)

The City reports the following proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City.

The *SteamPlant Event Center Fund* accounts for event rentals and sales of art pieces.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

5. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years.

6. Inventory

Inventory consists of supplies for the City’s use and is carried at cost using the first-in, first-out method.

7. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Infrastructure	40
Buildings and improvements	20 - 40
Distribution systems	10 - 50
Equipment and vehicles	5 - 10

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

9. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors the fire and police "old hire" single employer defined plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflows reported in the government-wide statement of net position.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for this type of reporting, pension-related deferred inflows.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the City Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. However, the City's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to City Council.

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds”. The \$21,513,347 difference is related to capital assets of \$36,206,511 less accumulated depreciation of \$14,693,164.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2017.

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2016, a recommended budget which detailed available revenues to meet the City’s operating requirements.
2. Prior to December 15, 2016, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$225,000, which is the approximate required reserve at December 31, 2017.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the County's and City's sales and taxes, grants, revenue from the State of Colorado, admission charges from the Salida Hot Springs Swimming Pool, and fines and court costs imposed by the Salida Municipal Court, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1993, and thereafter.

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 4, 2008, the City's voters approved the following ballot questions:

"Shall the City of Salida sales tax be increased by not more than \$1,500,000 in the first full fiscal year, and by such additional amounts as are generated annually thereafter, by an increase in City sales tax by one percent (1.0%) from two percent (2.0%) to three percent (3.0%) total, which increase shall take effect on January 1, 2009, and which revenues therefore, together with investment earnings thereon, shall be used solely for construction, operation, maintenance, and repair of roads and other public infrastructure of the City, and shall such revenues be collected by the City as a voter approved revenue change and tax policy change, notwithstanding any applicable revenue or expenditure limitation imposed by Article X, Section 20 of the Colorado Constitution. C.R.S. Section 29-1-301, or any other law, and shall the City of Salida's property tax be repealed?"

"Shall the City of Salida's taxes be increased by an estimated \$800,000 annually (First fiscal year increase) or such other amount that may be collected thereafter by the imposition of an occupational lodging tax on the leasing or renting of rooms or other accommodations in commercial lodging within the City for less than 30 days at a rate of \$4.82 per night per occupied room, commencing January 1, 2009, the proceeds of such tax, together with investment earnings thereon, shall be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the aquatic center and SteamPlant theater, and shall such revenues be collected by the City of Salida as a voter approved revenue change and tax policy change, notwithstanding any revenue or expenditure limitation set forth in Article X, Section 20 of the Colorado Constitution, C.R.S. Section 29-1-301, or any other law?"

On November 7, 2017, the City's voters approved the following ballot question:

"Without raising tax rates or levying any new tax, shall the City of Salida be authorized to collect, keep and send the revenues it receives from all sources commencing on January 1, 2017 as a voter approved revenue change pursuant to the Article X, Section 20 of the Colorado Constitution."

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR, including the calculation of the City's liability at December 31, 2016, is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2016, the City had the following recurring fair value measurements.

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 577,798	\$ -	\$ 577,798	\$ -
U.S. government agency securities	551,175	-	551,175	-
Total	<u>\$1,128,973</u>	<u>\$ -</u>	<u>\$1,128,973</u>	<u>\$ -</u>

Investments Measured at Net Asset Value

Colotrust	\$2,077,325
CSIP	4,504,127
Total	<u>\$6,581,452</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

Debt securities, namely mortgage pools, classified in Level 3 are valued using an appraisal service.

The Investment Pool represents investments in CSIP. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool. At December 31, 2017, the City's investments in CSIP were 58% of the City's investment portfolio.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1C. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

The City had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 2,367	\$ 2,367	\$ -
Checking and savings	<i>Not Rated</i>	838,476	838,476	-
CD	<i>Not Rated</i>	577,798	174,063	544,663
<i>Investments:</i>				
Pools	<i>AAAm</i>	6,581,452	6,581,452	-
U.S. agencies	<i>AA+</i>	551,175	551,175	-
Total		<u>\$ 8,551,268</u>		

The financial statement captions are as follows:

	Governmental Activities	Business- type Activities	Total
Cash and investments	\$ 4,493,257	4,058,011	8,551,268

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of December 31, 2017, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Steamplant</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,199,604	-	-	-	1,199,604
Accounts	133,035	384,682	293,992	114	811,823
Intergovernmental	<u>105,452</u>	<u>691,896</u>	<u>-</u>	<u>-</u>	<u>797,348</u>
Gross receivables	1,438,091	1,076,578	293,992	114	2,808,775
Less: allowance for uncollectible	-	-	-	-	-
Net receivables	<u><u>\$ 1,438,091</u></u>	<u><u>1,076,578</u></u>	<u><u>293,992</u></u>	<u><u>114</u></u>	<u><u>2,808,775</u></u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,781,075	-	-	1,781,075
Construction in progress	59,900	1,458,870	(9,393)	1,509,377
Total capital assets, not being depreciated	<u>1,840,975</u>	<u>1,458,870</u>	<u>(9,393)</u>	<u>3,290,452</u>
Capital assets, being depreciated:				
Buildings	8,101,102	3,154,383	(12,763)	11,242,722
Park land and improvements	4,338,524	48,764	-	4,387,288
Vehicles	2,918,113	84,454	(30,956)	2,971,611
Equipment	1,301,330	161,348	(126,854)	1,335,824
Infrastructure	11,808,444	1,134,238	-	12,942,682
Software and other intangibles	35,932	-	-	35,932
Total capital assets being depreciated	<u>28,503,445</u>	<u>4,583,187</u>	<u>(170,573)</u>	<u>32,916,059</u>
Less accumulated depreciation for:				
Buildings	(2,677,176)	(3,201,385)	12,021	(5,866,540)
Park land and improvements	(1,649,233)	(191,381)	-	(1,840,614)
Vehicles	(2,102,929)	(212,135)	30,956	(2,284,108)
Equipment	(823,086)	(104,796)	122,147	(805,735)
Infrastructure	(3,214,943)	(645,292)	-	(3,860,235)
Software and other intangibles	(35,932)	-	-	(35,932)
Total accumulated depreciation	<u>(10,503,299)</u>	<u>(4,354,989)</u>	<u>165,124</u>	<u>(14,693,164)</u>
Total capital assets, being depreciated, net	<u>18,000,146</u>	<u>228,198</u>	<u>(5,449)</u>	<u>18,222,895</u>
Governmental activities capital assets, net	<u>\$ 19,841,121</u>	<u>1,687,068</u>	<u>(14,842)</u>	<u>21,513,347</u>

Note: Prior to 2017, The Aquatic Center building was not included on the City's list of capital assets. The Aquatic Center has been added to the schedule above on the Buildings line at a cost and accumulated depreciation of \$2,919,600. Since the Aquatic Center building is considered full depreciated, the addition to the schedule has no effect on net position, and a restatement of net position is therefore not necessary.

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 76,027	-	-	76,027
Water rights	1,391,521	-	-	1,391,521
Construction in progress	105,669	1,893,964	-	1,999,633
Total capital assets, not being depreciated	<u>1,573,217</u>	<u>1,893,964</u>	<u>-</u>	<u>3,467,181</u>
Capital assets, being depreciated:				
Lines	12,541,160	620,085	-	13,161,245
Structures	14,833,969	17,467	(56,000)	14,795,436
Land improvements	697,266	-	-	697,266
Equipment and vehicles	14,449,170	347,694	-	14,796,864
Total capital assets being depreciated	<u>42,521,565</u>	<u>985,246</u>	<u>(56,000)</u>	<u>43,450,811</u>
Less accumulated depreciation for:				
Lines	(4,367,193)	(315,134)	-	(4,682,327)
Structures	(4,947,261)	(445,826)	45,685	(5,347,402)
Land improvements	(128,481)	(39,792)	-	(168,273)
Equipment and vehicles	(3,730,542)	(658,758)	-	(4,389,300)
Total accumulated depreciation	<u>(13,173,477)</u>	<u>(1,459,510)</u>	<u>45,685</u>	<u>(14,587,302)</u>
Total capital assets, being depreciated, net	<u>29,348,088</u>	<u>(474,264)</u>	<u>(10,315)</u>	<u>28,863,509</u>
Business-type activities capital assets, net	<u>\$ 30,921,305</u>	<u>1,419,700</u>	<u>(10,315)</u>	<u>32,330,690</u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

General government	\$ 139,260
Public safety	196,443
Public works	747,259
Culture and recreation	3,272,027
Total depreciation expense - governmental activities	<u><u>\$ 4,354,989</u></u>

Business-type activities:

Water	467,470
Sewer	921,085
Steamplant	70,955
Total depreciation expense - business-type activities	<u><u>\$ 1,459,510</u></u>

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2017.

Transfers were as follows:

	<u>In</u>	<u>Out</u>	<u>Purpose</u>
Street Fund	\$ -	635,280	To transfer capital assets
Water Fund	615,467	-	To transfer capital assets
Wastewater Fund	19,813		To transfer capital assets
Total	<u><u>\$ 635,280</u></u>	<u><u>635,280</u></u>	

E. Long-term Liabilities

1. Lease Purchase – Community Services Complex 2008 and 2009

On September 1, 2008, the City entered into a \$1,300,000 lease purchase agreement with Capital One Public Funding. The lease requires monthly payments of \$13,486 and bears an interest rate of 3.40%. The lease matures on February 15, 2026. Proceeds from the lease were used for construction of a new police station and are secured by the land on which the station was constructed.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

2. Water and Sewer Enterprise Revenue Refunding Bonds 2016

On December 6, 2016, the City issued Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016, in the principal amount of \$1,535,000. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Water and Sewer Refunding and Improvement Revenue Bonds, Series 2004 (see Note E. 5). As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Water Fund. The City realized a net present value on the refunding of \$135,476.

The interest rate on the Series 2016 Bonds is 2.16% and is payable semi-annually on June 1 and December 1 through 2027.

3. USDA Loan

In March 2013, the City entered into a \$12,103,000 loan agreement with the Department of Agriculture. The note requires semi-annual payments of \$480,484 due March 27 and September 27 and bears interest at 2.5%. The note matures September 27, 2052. The proceeds were used to upgrade the wastewater treatment plant.

The loan agreement requires the City to maintain a debt service reserve and asset management reserve equal to one annual installment totaling \$529,401. The City has sufficient funds at December 31, 2016 to meet this covenant.

4. Colorado Water Resources and Power Development Authority Note

On December 21, 2011, the City entered into a \$545,000 non-interest-bearing note with the Colorado Water Resources and Power Development Authority. The note requires semi-annual payments of \$13,625 due November 1 and May 1. The note matures May 1, 2032. The proceeds were for the necessary repairs to the water treatment facility.

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2016, the City appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements.

Rate Covenant: The City shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

4. Colorado Water Resources and Power Development Authority Note (continued)

Total Gross Revenue requirement \$ 898,993

Total water fund revenues, excluding capital grants \$2,207,169

Excess (deficiency) of gross revenues \$ 1,308,176

Operations and Maintenance Reserve Fund Covenant: The City has on hand sufficient funds to meet the Reserve Fund covenant. The reserve at year-end is \$267,070 which is equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the City's annual budget.

5. DOLA Note Payable 2001

On May 31, 2001, the City entered into a \$175,000 note with the Department of Local Affairs. The note requires annual payments of \$14,042 due September 1 and bears interest at 5%. The note matures September 1, 2021. The proceeds were for the construction of a one million gallon steel tank for treated water storage and related water lines.

6. Schedule of Debt Service Requirements

Year ending December 31	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 124,972	36,860	161,832	\$ 353,651	308,690	662,341
2019	129,288	32,544	161,832	384,382	300,583	684,965
2020	133,753	28,079	161,832	390,271	291,777	682,048
2021	138,372	23,460	161,832	396,324	282,809	679,133
2022	143,151	18,681	161,832	393,502	254,232	647,734
2023 - 2027	471,511	25,755	497,266	2,115,802	1,232,440	3,348,242
2028 - 2032	-	-	-	1,503,488	1,071,129	2,574,617
2033 - 2037	-	-	-	1,563,511	838,909	2,402,420
2038 - 2042	-	-	-	1,770,318	632,102	2,402,420
2043 - 20467	-	-	-	2,004,479	397,940	2,402,419
2048 - 2052	-	-	-	2,060,524	132,806	2,193,330
	<u>1,141,047</u>	<u>165,379</u>	<u>1,306,426</u>	<u>12,936,252</u>	<u>5,743,417</u>	<u>18,679,669</u>

7. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$61,059 in governmental activities and \$15,004 in business-type activities at December 31, 2017. City of Salida

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

10. Schedule of Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Lease Purchase - Community Services Complex	\$ 1,261,846	-	(120,800)	1,141,046	161,832
Accrued compensated absences	57,058	4,001	-	61,059	20,353
Total Governmental Activities					
Long-term Liabilities	<u>\$ 1,318,904</u>	<u>\$ 4,001</u>	<u>\$ (120,800)</u>	<u>\$ 1,202,105</u>	<u>182,185</u>
Business-type Activities:					
Water and Sewer Revenue Bonds 2016	\$ 1,535,000	-	(120,000)	1,415,000	110,000
USDA Loan - WWTF Upgrade	11,276,153	-	(199,821)	11,076,332	204,848
CO Water Resources & Power Development Authority	422,375	-	(27,250)	395,125	27,250
DOLA Note Payable	60,796	-	(11,002)	49,794	11,552
Accrued compensated absences	15,518	-	(514)	15,004	5,001
Total Business-type Activities					
Long-term Liabilities	<u>\$ 13,309,842</u>	<u>-</u>	<u>(358,587)</u>	<u>12,951,255</u>	<u>358,651</u>

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

Plan Description: The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8% and 9%, respectively of base salary for a total contribution rate of 17% through 2016. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5% of base salary through 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.7%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Liability (Asset): At December 31, 2017, the City reported liabilities of \$38,137 and \$43,254 for its proportionate share of the net pension asset for fire and police respectively. (The City reported a liability because the Plan's total pension liability exceeds its fiduciary net position.) The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. The City's proportion of the net pension liability was based on City contributions to the Plan for the calendar year 2016 relative to the total contributions of participating employers to the Plan.

At December 31, 2017, the City's proportionate shares for fire and police were as follows:

	Proportionate Share	
	2016	2015
Fire	0.10555%	0.11183%
Police	0.11971%	0.12638%

For the year ended December 31, 2017, the City recognized net pension revenue of \$3,521 and \$7,415 for fire and police respectively.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 34,052	1,940	38,636	2,330
Changes of assumptions or other inputs	26,051	-	29,574	-
Net difference between projected and actual earnings on pension plan investments	102,941	-	116,843	-
Changes in proportionate share of contributions	10,315	2,118	17,014	9,278
Difference between actual and reported contributions recognized	-	-	-	-
Contributions subsequent to the measurement date	63,082	-	74,914	-
Total	\$ 236,441	4,058	276,981	11,608

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions subsequent to the measurement date of December 31, 2016, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	Amortization	
	Fire	Police
2018	\$ 40,241	\$ 45,438
2019	40,241	45,438
2020	37,893	42,775
2021	16,018	18,090
Thereafter	34,910	38,718
	<u>\$ 169,303</u>	<u>\$ 190,459</u>

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability 2017	Actuarially Determined Contributions 2016
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value	5-Year Smoothed Fair Value
Long-term investment Rate of Return *	7.5%	7.5%
Projected Salary Increases	4% to 14%	4% to 14%
Cost of Living Adjustments	0%	0%
* Includes Inflation at	3%	3%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.00%
Total	100%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Discount Rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50 percent; the municipal bond rate is 3.78 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent.

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Collective net pension liability (asset)	\$ 307,440,992	36,133,840	(189,200,101)
Proportionate share of net pension liability (asset)			
Fire	\$ 324,490	38,138	(199,692)
Police	\$ 368,035	43,255	(226,490)

Pension plan fiduciary net position: Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent “Old Hire” Pension Plan

Plan Description: The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all fire fighters hired before April 8, 1978 (“old hires”) in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org>.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter was entitled to receive. There are no vested retirement benefits.

As of January 1, 2017 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 3 retirees and beneficiaries in the Salida Old Hire Fire Pension Fund.

As of January 1, 2017 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 6 retirees and beneficiaries in the Salida Old Hire Police Pension Fund.

Funding Policy: The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent "Old Hire" Pension Plan (continued)

Net Pension Liability: At December 31, 2017, the Old Hire pension fund reported a net pension liability of \$119,341 and \$763,663 for Fire and Police, respectively. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions: The significant actuarial assumptions used in the valuation as of January 1, 2017 were:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	17 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return *	7.5%
Retirement age	Any remaining actvies are assumed to retire immediatley.
Mortality	Post-retirement RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled (pre-1980): RP-2000 Disabled Mortality Tables. All tables projected with Scale AA.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of participants.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA per Standard and Poor's Corp. or Aa2 per Moddy's Investors Service credit rating as of the measurement date (3.75%) to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension asset (liability) to changes in the Single Discount Rate, the following represent the plan's net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)			
Fire	\$ 134,436	119,341	105,938
Police	\$ 869,284	763,663	672,376

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Agent "Old Hire" Pension Plan (continued)

In connection with the City's Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2017:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 6,646	-	\$ 29,808	-
Contributions subsequent to the measurement date	14,074	-	78,808	-
Total	<u>\$ 20,720</u>	<u>-</u>	<u>\$ 108,616</u>	<u>-</u>

Contributions subsequent to the measurement date of December 31, 2016, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2018	\$ 2,119	\$ 9,556
2019	2,120	9,554
2020	1,912	8,496
2021	495	2,202
Thereafter	-	-
	<u>\$ 6,646</u>	<u>\$ 29,808</u>

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 401

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue Code. The normal retirement age is age 60 (not to exceed age 65). All full time employees except Fire and Police personnel are entitled to participate in the plan. The City contributes on behalf of each participant 3% of earnings for the Plan Year. There is no minimum required contribution by the employee. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. The City's contributions vest at a rate of 25% per year.

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

2. Deferred Compensation Plan - Section 457

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 457 of the Internal Revenue code. The normal retirement age is age 60 (not to exceed age 65). All full-time employees except Fire and Police personnel are entitled to participate in the plan. The City will match up to 3% of employee contributions. There is no minimum required contribution by the employee. Participants are 100% vested immediately in their direct investment. The City's contributions vest at a rate of 25% per year.

B. Other Employee Benefits

Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. The plan is administered by Affiliated Benefits Consultants, which approves disbursements from the plan that employees make from a plan debit card. No cost to the City is recognized as the plan is a salary reduction plan.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, and employee health claims. The City insures against these risks through its participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and the purchase of commercial insurance.

The City's management is unaware of any excess losses which may have been incurred by CIRSA. There have been no settled claims in excess of coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Sales tax	2,259,422	2,259,422	3,213,275	953,853
Franchise fees	340,000	340,000	308,338	(31,662)
Total Taxes	<u>2,599,422</u>	<u>2,599,422</u>	<u>3,521,613</u>	<u>922,191</u>
Fees for General Services:				
Vin inspections	5,000	5,000	7,200	2,200
Vital statistics records	18,500	18,500	18,312	(188)
Planning and zoning fees	47,500	47,500	112,689	65,189
Fire plans and inspections	5,000	5,000	6,358	1,358
Emergency response fees	20,000	20,000	15,317	(4,683)
Public works charges	32,000	32,000	15,735	(16,265)
Other revenues	3,000	3,000	952	(2,048)
Total Licenses, Permits, and Fees	<u>131,000</u>	<u>131,000</u>	<u>176,563</u>	<u>45,563</u>
Intergovernmental:				
Sales tax - County	1,800,000	1,800,000	1,849,781	49,781
Cigarette tax	19,000	19,000	21,996	2,996
Other state taxes	65,000	65,000	91,927	26,927
Highway users tax	218,378	218,378	213,395	(4,983)
Motor vehicle registration	25,000	25,000	27,537	2,537
County road and bridge	8,000	8,000	8,495	495
Federal grants	-	57,225	57,225	-
State grants	111,801	111,801	192,898	81,097
South Ark Fire District	70,000	70,000	70,000	-
Total Intergovernmental	<u>2,317,179</u>	<u>2,374,404</u>	<u>2,533,254</u>	<u>158,850</u>
Fees for Recreation and Event Services:				
Hot springs pool	404,000	404,000	382,724	(21,276)
Soaking pool fees	25,000	25,000	22,842	(2,158)
Events and program revenues	40,000	40,000	35,971	(4,029)
Park rentals	17,000	17,000	11,630	(5,370)
Other recreation revenues	11,750	11,750	11,419	(331)
Total Charges for Recreation and Events	<u>497,750</u>	<u>497,750</u>	<u>464,586</u>	<u>(33,164)</u>
Fines and Forfeitures:				
Court fines	35,000	35,000	35,111	111
Parking fines	15,000	15,000	14,960	(40)
Other court costs charges and forfeitures	6,000	6,000	11,685	5,685
Total Fines and Forfeitures	<u>56,000</u>	<u>56,000</u>	<u>61,756</u>	<u>5,756</u>
Licenses, Permits and Fees:				
Liquor licenses	15,200	15,200	10,531	(4,669)
Medical marijuana dispensary license	3,000	3,000	3,000	-
Business licenses	4,000	4,000	4,725	725
Other licenses and permits	1,000	1,000	4,686	3,686
Total Licenses, Permits, and Fees	<u>23,200</u>	<u>23,200</u>	<u>22,942</u>	<u>(258)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2017

REVENUES, CONTINUED	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Revenues:				
Capital revenue				
Insurance proceeds	-	-	96,122	96,122
Donations	28,500	28,500	20,000	(8,500)
Other capital revenues	115,000	115,000	1,023	(113,977)
Miscellaneous revenue				
Interest revenue	20,000	20,000	31,323	11,323
Rent, leases and royalties	60,000	60,000	51,979	(8,021)
Donations	5,000	5,000	8,864	3,864
Other miscellaneous revenues	1,000	1,000	118,314	117,314
Total Other revenues	<u>229,500</u>	<u>229,500</u>	<u>327,625</u>	<u>98,125</u>
TOTAL REVENUES	<u>5,854,051</u>	<u>5,911,276</u>	<u>7,108,339</u>	<u>1,197,063</u>
EXPENDITURES:				
General Government:				
Administration				
Personnel services	424,124	424,124	348,469	75,655
Contracted services	171,000	171,000	534,240	(363,240)
Supplies and materials	8,250	8,250	14,504	(6,254)
Utilities	20,450	20,450	31,300	(10,850)
Other operating costs	162,400	162,400	157,938	4,462
Debt service	161,832	161,832	161,832	-
Budgetary capital expenditures (<\$5,000)	36,500	36,500	21,959	14,541
Capital purchases and improvements (\$5,000+)	65,000	65,000	56,917	8,083
Total Administration	<u>1,049,556</u>	<u>1,049,556</u>	<u>1,327,159</u>	<u>(277,603)</u>
Community Development:				
Personnel services	224,417	224,417	170,768	53,649
Contracted services	23,000	23,000	80,911	(57,911)
Supplies and materials	2,000	2,000	1,838	162
Utilities	100	100	-	100
Other operating costs	11,100	11,100	12,607	(1,507)
Budgetary capital expenditures (<\$5,000)	2,500	2,500	2,385	115
Total Community Development	<u>263,117</u>	<u>263,117</u>	<u>268,509</u>	<u>(5,392)</u>
Other:				
Municipal judge and city prosecutor	38,000	38,000	19,875	18,125
Community support grants	30,000	30,000	33,628	(3,628)
Total General Government - Other	<u>68,000</u>	<u>68,000</u>	<u>53,503</u>	<u>14,497</u>
Total General Government	<u>1,380,673</u>	<u>1,380,673</u>	<u>1,649,171</u>	<u>(268,498)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2017

EXPENDITURES, CONTINUED	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety:				
Police:				
Personnel services	1,365,484	1,365,484	1,425,503	(60,019)
Contracted services	99,200	99,200	93,241	5,959
Supplies and materials	54,700	54,700	67,895	(13,195)
Utilities	33,700	33,700	41,265	(7,565)
Other operating costs	42,300	42,300	50,586	(8,286)
Budgetary capital expenditures (<\$5,000)	5,800	63,025	64,140	(1,115)
Capital purchases and improvements (\$5,000+)	206,200	206,200	114,802	91,398
Total Police	1,807,384	1,864,609	1,857,432	7,177
Fire:				
Personnel services	1,030,399	1,030,399	989,181	41,218
Contracted services	19,500	19,500	18,714	786
Supplies and materials	32,700	32,700	21,248	11,452
Utilities	5,300	5,300	5,454	(154)
Other operating costs	44,656	44,656	35,785	8,871
Budgetary capital expenditures (<\$5,000)	8,200	8,200	7,563	637
Capital purchases and improvements (\$5,000+)	301,200	301,200	143,109	158,091
Total Fire	1,441,955	1,441,955	1,221,054	220,901
Total Public Safety	3,249,339	3,306,564	3,078,486	228,078
Public Works:				
Public Works:				
Personnel services	381,841	381,841	384,507	(2,666)
Contracted services	201,000	201,000	137,728	63,272
Supplies and materials	35,168	35,168	28,053	7,115
Utilities	100,300	100,300	76,426	23,874
Other operating costs	195,150	195,150	116,839	78,311
Budgetary capital expenditures (<\$5,000)	16,500	16,500	8,462	8,038
Capital purchases and improvements (\$5,000+)	378,800	378,800	185,240	193,560
Total Public Works	1,308,759	1,308,759	937,255	371,504
Facilities and Vehicle Management				
Personnel services	123,288	123,288	166,106	(42,818)
Contracted services	3,300	3,300	5,508	(2,208)
Supplies and materials	21,400	21,400	14,378	7,022
Utilities	9,600	9,600	8,608	992
Other operating costs	12,900	12,900	32,003	(19,103)
Budgetary capital expenditures (<\$5,000)	5,000	5,000	2,534	2,466
Total Public Works - Facilities and Vehicle Management	175,488	175,488	229,137	(53,649)
Other:				
Airport operations	50,000	50,000	50,000	-
Contracted services	112,500	112,500	10,635	101,865
Utilities	13,700	13,700	17,717	(4,017)
Other operating costs	103,500	103,500	68,339	35,161
Budgetary capital expenditures (<\$5,000)	-	-	6,798	(6,798)
Capital purchases and improvements (\$5,000+)	-	-	-	-
Total Public Works - Other	279,700	279,700	153,489	126,211
Total Public Works	1,763,947	1,763,947	1,319,881	444,066

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2017

EXPENDITURES, CONTINUED	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture, Parks and Recreation:				
Pool and Recreation:				
Personnel services	565,551	565,551	533,800	31,751
Contracted services	24,200	24,200	14,483	9,717
Supplies and materials	35,900	35,900	40,276	(4,376)
Utilities	71,840	71,840	65,474	6,366
Other operating costs	67,900	67,900	68,964	(1,064)
Budgetary capital expenditures (<\$5,000)	23,500	23,500	4,353	19,147
Capital purchases and improvements (\$5,000+)	651,900	651,900	219,489	432,411
Total Pool and Recreation	1,440,791	1,440,791	946,839	493,952
Parks, Open Space and Trails:				
Personnel services	240,601	240,601	240,705	(104)
Contracted services	13,300	13,300	9,118	4,182
Supplies and materials	47,700	47,700	45,747	1,953
Utilities	72,500	72,500	74,869	(2,369)
Other operating costs	75,150	75,150	82,275	(7,125)
Budgetary capital expenditures (<\$5,000)	32,500	32,500	6,456	26,044
Capital purchases and improvements (\$5,000+)	96,000	108,500	87,224	21,276
Total Park, Open Space, and Trails	577,751	590,251	546,394	43,857
Total Culture, Parks and Recreation	2,018,542	2,031,042	1,493,233	537,809
TOTAL EXPENDITURES	8,412,501	8,482,226	7,540,771	941,455
Excess of Revenues Over (Under) Expenditures	(2,558,450)	(2,570,950)	(432,432)	255,608
Other Financing Sources (Uses):				
Transfer in	235,000	235,000	-	235,000
Transfer out	(220,437)	(220,437)	-	(220,437)
Total Other Financing Sources (Uses)	14,563	14,563	-	14,563
Net change in fund balance	(2,543,887)	(2,556,387)	(432,432)	270,171
Fund balance, beginning of year	5,900,840	5,900,840	5,876,355	(24,485)
Fund balance, end of year	\$ 3,356,953	\$ 3,344,453	\$ 5,443,923	\$ 2,099,470

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Street Fund
Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	Original and Final Budget	Actual Amounts	Variance with Final Budget
Taxes:			
Sales tax	2,860,825	1,772,842	(1,087,983)
Public improvement - payments in lieu	-	21,725	21,725
Total revenues	<u>2,860,825</u>	<u>1,794,567</u>	<u>(1,066,258)</u>
EXPENDITURES:			
Public Works:			
Capital outlay	3,215,000	1,829,209	1,385,791
Total Expenditures	<u>3,215,000</u>	<u>1,829,209</u>	<u>1,385,791</u>
Excess of Revenues Over (Under) Expenditures	<u>(354,175)</u>	<u>(34,642)</u>	<u>(2,452,049)</u>
Other Financing Sources (Uses):			
Operating transfer in (out)	440,000	-	-
Capital transfer in (out)	-	(635,280)	635,280
Total Other Financing Sources (Uses)	<u>440,000</u>	<u>(635,280)</u>	<u>635,280</u>
Net change in fund balance	85,825	(669,922)	(1,816,769)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ 85,825</u>	<u>\$ (669,922)</u>	<u>\$ (1,816,769)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Capital Improvement Fund
Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:			
Sales tax	306,444	443,210	136,766
Intergovernmental revenue:			
State grants	786,113	59,325	(726,788)
Miscellaneous revenue	185,575	115,119	(70,456)
Total revenues	<u>1,278,132</u>	<u>617,654</u>	<u>(660,478)</u>
 EXPENDITURES:			
Public works:			
Capital outlay	-	700	(700)
Pool and recreation			
Capital outlay	700,000	30,782	669,218
Parks, open space and trails			
Capital outlay	1,239,788	645,723	594,065
Total Expenditures	<u>1,939,788</u>	<u>677,205</u>	<u>1,262,583</u>
Excess of Revenues Over (Under) Expenditures	<u>(661,656)</u>	<u>(59,551)</u>	<u>(1,923,061)</u>
Other Financing Sources (Uses):			
Financing proceeds	700,000	-	(700,000)
Total Other Financing Sources (Uses)	<u>700,000</u>	<u>-</u>	<u>(700,000)</u>
Net change in fund balance	38,344	(59,551)	(2,623,061)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ 38,344</u>	<u>\$ (59,551)</u>	<u>\$ (2,623,061)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Economic Development Fund
Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:			
Sales tax	110,000	110,803	803
Total revenues	<u>110,000</u>	<u>110,803</u>	<u>803</u>
EXPENDITURES:			
Community development	9,750	15,166	(5,416)
Total Expenditures	<u>9,750</u>	<u>15,166</u>	<u>(5,416)</u>
Excess of Revenues Over (Under) Expenditures	<u>100,250</u>	<u>95,637</u>	<u>6,219</u>
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ 100,250</u>	<u>\$ 95,637</u>	<u>\$ 6,219</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Lodging Tax Fund
Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	Original and Final Budget	Actual Amounts	Variance with Final Budget
Taxes:			
Sales tax	235,000	185,447	(49,553)
Total revenues	<u>235,000</u>	<u>185,447</u>	<u>(49,553)</u>
EXPENDITURES:			
Capital outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>235,000</u>	<u>185,447</u>	<u>(49,553)</u>
Other Financing Sources (Uses):			
Capital transfer out	(235,000)	-	(235,000)
Total Other Financing Sources (Uses)	<u>(235,000)</u>	<u>-</u>	<u>(235,000)</u>
Net change in fund balance	-	185,447	(284,553)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ 235,000</u>	<u>\$ 185,447</u>	<u>\$ (49,553)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Fund
Budget and Actual
For the Year Ended December 31, 2017

REVENUES:	Original and Final Budget	Actual Amounts	Variance with Final Budget
Intergovernmental revenue:			
State lottery	60,000	54,128	(5,872)
Interest income	500	997	497
Total revenues	<u>60,500</u>	<u>55,125</u>	<u>(5,375)</u>
EXPENDITURES:			
Parks and recreation:			
Capital outlay	50,000	48,812	1,188
Total Expenditures	<u>50,000</u>	<u>48,812</u>	<u>1,188</u>
Excess of Revenues Over (Under) Expenditures	<u>10,500</u>	<u>6,313</u>	<u>(6,563)</u>
Fund balances, beginning of year	120,794	125,983	5,189
Fund balances, end of year	<u>\$ 131,294</u>	<u>\$ 132,296</u>	<u>\$ (1,374)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Employer's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fire:				
City's portion of the net pension asset - Fire	0.105545%	0.111828%	0.109666%	0.105488%
City's proportionate share of the net pension asset (liability) - Fire	(38,138)	1,971	123,767	94,326
City's covered-employee payroll - Fire	540,163	542,116	493,175	458,177
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll - Fire	-7.06%	0.36%	25.10%	20.59%
Police:				
City's portion of the net pension asset - Police	0.119709%	0.126477%	0.117005%	0.129598%
City's proportionate share of the net pension asset (liability)- Police	(43,255)	2,230	132,049	115,885
City's covered-employee payroll - Police	612,650	613,126	525,825	562,895
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll - Police	-7.06%	0.36%	25.11%	20.59%
Plan fiduciary net position as a percentage of the total pension asset	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

<u>Statewide Defined Benefit Plan:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fire:			
Contractually required contribution	43,213	43,369	39,454
Contributions in relation to the contractually required contribution	<u>(43,213)</u>	<u>(43,369)</u>	<u>(39,454)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
City's covered-employee payroll	540,163	542,116	493,175
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%
Police:			
Contractually required contribution	49,012	49,050	42,066
Contributions in relation to the contractually required contribution	<u>(49,012)</u>	<u>(49,050)</u>	<u>(42,066)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
City's covered-employee payroll	612,650	613,126	525,825
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Fire "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Interest on the Total Pension Liability	16,704	15,943	16,742
Difference between Expected and Actual Experience	-	8,172	-
Assumption Changes	-	13,426	-
Benefit Payments	(27,391)	(27,391)	(27,391)
Net Change in Total Pension Liability	<u>(10,687)</u>	<u>10,150</u>	<u>(10,649)</u>
Total Pension Liability - Beginning	<u>236,171</u>	<u>226,021</u>	<u>236,670</u>
Total Pension Liability - Ending (a)	<u><u>225,484</u></u>	<u><u>236,171</u></u>	<u><u>226,021</u></u>
Plan Fiduciary Net Position			
Employer Contributions	9,539	9,539	5,426
Pension Plan Net Investment Income	5,806	2,452	9,441
Benefit Payments	(27,391)	(27,391)	(27,391)
Pension Plan Administrative Expense	(2,052)	(544)	(3,351)
Net Change in Plan Fiduciary Net Position	<u>(14,098)</u>	<u>(15,944)</u>	<u>(15,875)</u>
Plan Fiduciary Net Position - Beginning	<u>120,241</u>	<u>136,185</u>	<u>152,060</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>106,143</u></u>	<u><u>120,241</u></u>	<u><u>136,185</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>119,341</u></u>	<u><u>115,930</u></u>	<u><u>89,836</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	47.07%	50.91%	60.25%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

The accompanying notes are an integral part of these financial statements
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CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Police "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Interest on the Total Pension Liability	92,791	89,922	92,650
Difference between Expected and Actual Experience	-	27,855	-
Assumption Changes	-	49,510	-
Benefit Payments	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>
Net Change in Total Pension Liability	<u>(36,234)</u>	<u>38,262</u>	<u>(36,375)</u>
Total Pension Liability - Beginning	<u>1,300,563</u>	<u>1,262,301</u>	<u>1,298,676</u>
Total Pension Liability - Ending (a)	<u><u>1,264,329</u></u>	<u><u>1,300,563</u></u>	<u><u>1,262,301</u></u>
Plan Fiduciary Net Position			
Employer Contributions	66,481	66,481	56,214
Pension Plan Net Investment Income	27,005	10,580	39,097
Benefit Payments	(129,025)	(129,025)	(129,025)
Pension Plan Administrative Expense	<u>(2,683)</u>	<u>(1,127)</u>	<u>(3,771)</u>
Net Change in Plan Fiduciary Net Position	<u>(38,222)</u>	<u>(53,091)</u>	<u>(37,485)</u>
Plan Fiduciary Net Position - Beginning	<u>538,888</u>	<u>591,979</u>	<u>629,464</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>500,666</u></u>	<u><u>538,888</u></u>	<u><u>591,979</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>763,663</u></u>	<u><u>761,675</u></u>	<u><u>670,322</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	39.60%	41.43%	46.90%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of City Contributions
"Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Agent - Fire "Old Hire" Plan:	2016	2015	2014
Actuarially determined contribution	14,074	9,539	5,426
Actual contribution	<u>(14,074)</u>	<u>(9,539)</u>	<u>(5,426)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A
Agent - Police "Old Hire" Plan:	2015	2014	2014
Actuarially determined contribution	78,808	66,481	56,214
Actual contribution	<u>(78,808)</u>	<u>(66,481)</u>	<u>(56,214)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

City of Salida
Notes to the Required Supplementary Information
December 31, 2017

I. Schedule of Employer's Proportionate Share of the Net Pension (Asset) Liability – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

1. 2016 Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

2. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of City's Contributions – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2017

III. Schedule of Changes in Net Pension Asset / Liability – Fire “Old Hire” Plan

A. Changes to assumptions

1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The inflation assumption was reduced from 3.0% to 2.5%.

Post-retirement mortality assumptions: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930) mortality assumptions: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

IV. Schedule of City Contributions – Fire “Old Hire” Plan

A. Changes to assumptions

1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The asset method valuation approximates smoothing over a five-year period by recognizing 20% of the difference between the projected actuarial value and the market value at the valuation date. The remaining amortization period is 17 years.

Disabled (pre-1980) mortality assumptions: RP-2000 Disabled Mortality Table generationally projected with Scale AA.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2017

Revenues	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:			
Service and usage fees	1,310,000	1,312,224	2,224
Water line maintenance	185,000	193,856	8,856
Commerical demand charges	95,000	96,373	1,373
Other revenues	28,500	37,798	9,298
Water leases	-	10,000	10,000
Total Fees for General Services	<u>1,618,500</u>	<u>1,650,251</u>	<u>31,751</u>
Intergovernmental Revenue			
State grants	895,000	1,649,752	754,752
Total Intergovernmental Revenue	<u>895,000</u>	<u>1,649,752</u>	<u>754,752</u>
Capital Revenue:			
System development fees	510,000	541,306	31,306
Sale of water meters	10,000	15,612	5,612
Total Capital Revenue	<u>520,000</u>	<u>556,918</u>	<u>36,918</u>
Other Revenue:			
Interest revenue	3,000	6,151	3,151
Miscellanenous revenue	-	21,552	21,552
Total Other Revenue	<u>3,000</u>	<u>27,703</u>	<u>24,703</u>
Total Revenues	<u>3,036,500</u>	<u>3,884,624</u>	<u>848,124</u>
Expenses			
Administration - Water:			
Personnel services	81,063	81,787	(724)
Contracted services	12,700	59,648	(46,948)
Supplies and materials	3,500	1,840	1,660
Other operating costs	11,500	11,164	336
Total Administration - Water	<u>108,763</u>	<u>154,439</u>	<u>(45,676)</u>
Public Works - Water:			
Personnel services	221,713	188,040	33,673
Contracted services	20,000	20,820	(820)
Supplies and materials	12,000	9,598	2,402
Other operating costs	20,100	20,411	(311)
Financing obligations	191,605	194,107	(2,502)
Total Public Works - Water	<u>465,418</u>	<u>432,976</u>	<u>32,442</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Expenses, Continued			
Water Plant:			
Personnel services	252,298	253,114	(816)
Contracted services	35,500	9,950	25,550
Supplies and materials	58,100	30,762	27,338
Utilities	44,400	43,841	559
Other operating costs	103,800	87,023	16,777
Financing obligations	27,250	-	27,250
Total Water Plant	<u>521,348</u>	<u>424,690</u>	<u>96,658</u>
Capital outlay	<u>3,011,000</u>	<u>2,165,813</u>	<u>845,187</u>
Total Expenses	<u>4,106,529</u>	<u>3,177,918</u>	<u>928,611</u>
Other Financing Sources (Uses)			
Lawsuit Cost	-	(16,041)	(16,041)
Capital transfers in	-	615,467	(615,467)
Total Other Financing Sources (Uses)	<u>-</u>	<u>599,426</u>	<u>(631,508)</u>
Excess of Revenues Over (Under)			
Expenses - Budget Basis	<u>(1,070,029)</u>	<u>1,306,132</u>	<u>297,103</u>
GAAP Basis Adjustments			
Capital outlay		2,081,782	
Depreciation		(467,470)	
Debt principal		158,252	
Total GAAP Basis Adjustments		<u>1,772,564</u>	
Net Income - GAAP Basis		3,078,696	
Net Position, beginning of year		<u>9,567,461</u>	
Net Position, end of year		<u>12,646,157</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Sewer Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2017

Revenues	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:			
Metered service and usage fees	1,090,000	1,127,030	37,030
Unmetered wastewater charges	100,000	80,992	(19,008)
Septage receiving	50,000	88,031	38,031
Lab analysis fees	31,000	32,247	1,247
Other	21,000	16,795	(4,205)
Total Fees for General Services	<u>1,292,000</u>	<u>1,345,095</u>	<u>53,095</u>
Capital Revenue:			
System development fees	300,000	470,919	170,919
Total Capital Revenue	<u>300,000</u>	<u>470,919</u>	<u>170,919</u>
Other Revenue:			
Interest revenue	9,500	27,203	17,703
Miscellaneous revenue	100	489	389
Total Other Revenue	<u>9,600</u>	<u>27,692</u>	<u>18,092</u>
Total Revenues	<u>1,601,600</u>	<u>1,843,706</u>	<u>242,106</u>
Expenses			
Administration - Wastewater:			
Personnel services	81,883	76,574	5,309
Contracted services	12,600	3,902	8,698
Supplies and materials	-	1,840	(1,840)
Other operating costs	11,300	10,168	1,132
Total Administration - Wastewater	<u>105,783</u>	<u>92,484</u>	<u>13,299</u>
Public Works - Wastewater:			
Personnel services	117,061	89,331	27,730
Contracted services	71,500	101,729	(30,229)
Supplies and materials	9,500	3,706	5,794
Utilities	-	575	(575)
Other operating costs	8,500	4,443	4,057
Total Public Works - Wastewater	<u>206,561</u>	<u>199,784</u>	<u>6,777</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Sewer Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Expenses, Continued			
Wastewater Plant:			
Personnel services	367,047	319,940	47,107
Contracted services	77,300	44,680	32,620
Supplies and materials	66,000	55,899	10,101
Utilities	141,800	118,175	23,625
Other operating costs	129,299	138,110	(8,811)
Financing obligations	480,484	475,706	4,778
Total WasteWater Plant	<u>1,261,930</u>	<u>1,152,510</u>	<u>109,420</u>
Capital outlay	<u>289,000</u>	<u>139,947</u>	<u>149,053</u>
Total Expenses	<u>1,863,274</u>	<u>1,584,725</u>	<u>278,549</u>
Other Financing Sources			
Financing Proceeds	1,500,000	-	1,500,000
Operating transfers in (out)	(440,000)	-	(440,000)
Capital transfers in	-	19,813	(19,813)
Total Other Financing Sources (Uses)	<u>1,060,000</u>	<u>19,813</u>	<u>1,040,187</u>
Excess of Revenues Over (Under)			
Expenses - Budget Basis	<u>(261,674)</u>	<u>278,794</u>	<u>(36,443)</u>
GAAP Basis Adjustments			
Capitalized expenses		132,906	
Depreciation		(921,085)	
Debt service principal		199,821	
Total GAAP Basis Adjustments		<u>(588,358)</u>	
Net Income - GAAP Basis		(309,564)	
Net Position, beginning of year		<u>10,916,232</u>	
Net Position, end of year		<u>10,606,668</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Steamplant Event Center Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2017

Revenues	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Rentals:			
Room rentals	128,100	160,623	(32,523)
Other rentals	11,000	9,390	1,610
Total Rentals	<u>139,100</u>	<u>170,013</u>	<u>(30,913)</u>
Sales			
Food sales	8,000	810	7,190
Beverage sales	70,000	93,480	(23,480)
Merchandise sales	750	4,307	(3,557)
Total Sales	<u>78,750</u>	<u>98,597</u>	<u>(19,847)</u>
Other Charges for Services:			
Ticket sales	10,000	31,238	
Event sponsorship fees	8,000	8,370	(370)
Caterer Fee	10,000	8,695	
Total Other Charge for Services	<u>28,000</u>	<u>48,303</u>	<u>(370)</u>
Other Revenue:			
Donations	5,000	16,911	(11,911)
Other services	4,500	5,452	(952)
Other miscellaneous revenues	-	2,250	(2,250)
Total Other Revenue	<u>9,500</u>	<u>24,613</u>	<u>(15,113)</u>
Total Revenues	<u>255,350</u>	<u>341,526</u>	<u>(66,243)</u>
Expenses			
Cost of sales	50,500	68,672	(18,172)
Personnel services	282,437	313,816	(31,379)
Contracted services	3,600	4,273	(673)
Supplies and materials	12,700	10,177	2,523
Utilities	28,300	22,254	6,046
Other operating costs	36,350	39,797	(3,447)
Repair and maintenance	7,500	7,663	
Capital outlay	54,400	40,788	13,612
Total Expenses	<u>475,787</u>	<u>507,440</u>	<u>(31,490)</u>
Other Financing Sources			
Transfers in	<u>220,437</u>	-	<u>220,437</u>
Excess of Revenues Over (Under)			
Expenses - Budget Basis	<u>-</u>	<u>(165,914)</u>	<u>185,684</u>
GAAP Basis Adjustments			
Capital outlay		29,845	
Depreciation		(70,955)	
Gain (loss) on sale of assets		(10,316)	
Total GAAP Basis Adjustments		<u>(51,426)</u>	
Net Income - GAAP Basis		(217,340)	
Net Position, beginning of year		<u>1,188,005</u>	
Net Position, end of year		<u>970,665</u>	

The accompanying notes are an integral part of these financial statements.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Salida, Colorado
	YEAR ENDING : December 2017

This Information From The Records Of (example - City of _ or County of _):	Prepared By: Phone:
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,649,719
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	266,289
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	21,969
2. General fund appropriations	0	b. Snow and ice removal	13,436
3. Other local imposts (from page 2)	3,213,275	c. Other	30,656
4. Miscellaneous local receipts (from page 2)	53,599	d. Total (a. through c.)	66,061
5. Transfers from toll facilities	0	4. General administration & miscellaneous	300,008
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	466,058
a. Bonds - Original Issues	0	6. Total (1 through 5)	3,748,135
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	3,266,874	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	224,304	2. Notes:	
D. Receipts from Federal Government (from page 2)	3,491,178	a. Interest	0
E. Total receipts (A.7 + B + C + D)	3,491,178	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	3,748,135

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		3,491,178	3,748,135		(256,957)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	50,576
1. Sales Taxes	3,213,275	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	3,023
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	3,213,275	h. Other	0
c. Total (a. + b.)	3,213,275	i. Total (a. through h.)	53,599
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	196,767	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	27,537	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	27,537	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	224,304	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	62,190	228,251	290,441
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	2,359,278	2,359,278
(5). Total Construction (1) + (2) + (3) + (4)	0	2,359,278	2,359,278
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	62,190	2,587,529	2,649,719
			(Carry forward to page 1)

Notes and Comments: